GOVERNMENT OF INDIA
PETROLEUM AND NATURAL GAS
LOK SABHA

UNSTARRED QUESTION NO:405
ANSWERED ON:02.12.2004
OIL FIELD IN ANGOLA
Vijay Krishna Shri

Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) whether ONGC has failed to obtain Block 18 Oil field in Angola;

(b) if so, the details thereof and the reasons for the same; and

(c) the steps being taken by the Government to change its strategy in future?

Answer

MINISTER OF PETROLEUM & NATURAL GAS AND PANCHAYATI RAJ (SHRI MANI SHANKAR AIYAR)

(a) & (b): ONGC Videsh Limited (OVL) entered into a Sale and Purchase Agreement (SPA) with Shell on the 7th April 2004 for the acquisition of its 50% stake in offshore Block 18, Angola, subject to the waiver of pre-emption rights by the other partners in the Block, viz., British Petroleum (BP) and Sonangol (the National Oil company of Angola), as well as consent of the Government of Angola. However, while BP gave its consent, Sonangol exercised its pre-emption rights as a result of which the deal could not be concluded.

(c): The international oil and gas assets acquisition arena is very competitive where companies from oil and gas deficit nations and also from developed countries pose tough competition to OVL. For extending guidance and advice to Indian oil companies in their efforts to acquire equity oil abroad, Government have constituted an Advisory Committee on Oil Diplomacy for Energy Security comprising experts with specialized knowledge of the country and regions with whom the oil companies are expected to interact.